

Exhibit E

- 1 -



chfa

termination
LBFP
11/21/08
hand

031500 CHFA

November 21, 2008

VIA HAND DELIVERY

Lehman Brothers Financial Products Inc.
1271 Sixth Avenue 43 Floor
New York, NY 10020
Attn: Allison Carine
Telephone No.: 212-526-7187
Facsimile No.: 646-758-4124

Re: Master Agreement dated as of March 2, 2000 by and between Lehman Brothers Financial Products Inc. ("Party A") and Colorado Housing and Finance Authority and the Schedule attached thereto, together with the Confirmations listed on Schedule A attached hereto (the "Master Agreement").

Designation of the Early Termination Date

Ladies and Gentlemen:

Pursuant to Section 6(a) of the Master Agreement, Colorado Housing and Finance Authority, as Party B to the Master Agreement (the "Authority") hereby gives notice to Lehman Brothers Financial Products Inc., as Party B that an Event of Default under Section 5(a)(vii) of the Master Agreement has occurred as a result of the institution of a proceeding under Chapter 11 of the United States Bankruptcy Code by Party A in the United States Bankruptcy Court.

As a result of the foregoing, the Authority has elected to terminate the Master Agreement.

The Authority hereby designates November 21, 2008, as the Early Termination Date.

The Authority will advise you of the amount owing as provided in Section 6(e) Master Agreement.

Nothing in this letter shall be construed as a waiver of any rights the undersigned may have with respect to the Master Agreement. Without limiting the generality of the foregoing, nothing herein shall be deemed to constitute a waiver of any Event of Default, or other default or termination event, and the undersigned hereby reserves all other rights and remedies it may have at law, in equity, under the Master Agreement or the Transactions, including rights of setoff and recoupment and any rights or remedies that may arise as a result of any intervening event.

- 2 -



Please direct all correspondence and inquiries on this matter to the undersigned at 1981 Blake Street, Denver, CO 80202. My email address is THemmings@chfainfo.com.

Very Truly yours,

COLORADO HOUSING AND FINANCE AUTHORITY



Thomas Hemmings
Director of Finance

Cc: Sherman & Howard
633 Seventeenth Street, Suite 3000
Denver, CO 80202
Attn: Stan Raine

Received this 21st day of November, 2008.
Lehman Brothers Financial Products, Inc.

By _____

RECEIVED NOV 21 2008

Hand
Vinnie Sonnash
Vinnie Sonnash
AVP

- 3 -



Exhibit A

<u>Swap</u>	<u>Reference #</u>	<u>Effective Date</u>	<u>Current Notional Amount</u>	<u>Swap Termination Date</u>
MFP00A-1	102175/205969P	03/21/2000	\$ 12,750,000.00	10/01/2020
MFP00A-2	102178/205971P	03/21/2000	\$ 11,050,000.00	04/01/2015
MFP02A-1	236504/347419P	01/29/2003	\$ 9,410,000.00	10/01/2022
MFP02AA	102182/205973P	07/03/2002	\$ 29,380,000.00	10/01/2023
MFP02C-1	287267/412455P	04/01/2003	\$ 10,165,000.00	10/01/2032
MFP02C-2	287271/412473P	10/01/2003	\$ 70,715,000.00	10/01/2032
MFP02C-4	287273/412481P	10/01/2003	\$ 31,960,000.00	10/01/2032

Exhibit F

- 1 -



chfa

RECEIVED DEC 04 2008

December 4, 2008

Vincent J. Sonnabend
VINCENT SONNABEND
ASS'T VP

031500 CHFA

VIA HAND DELIVERY AND FACSIMILE

Lehman Brothers Financial Products Inc.
1271 Sixth Avenue 43 Floor
New York, NY 10020
Attn: Allison Carine
Telephone No.: 212-526-7187
Facsimile No.: 646-758-4124

Re: Master Agreement dated as of September 13, 2001 by and between Lehman Brothers Financial Products Inc. ("Party A") and Colorado Housing and Finance Authority and the Schedule attached thereto, together with the Confirmations listed on Schedule A attached hereto (the "Master Agreement").

Designation of the Early Termination Date

Ladies and Gentlemen:

Pursuant to Section 6(a) of the Master Agreement, Colorado Housing and Finance Authority, as Party B to the Master Agreement (the "Authority") hereby gives notice to Lehman Brothers Financial Products Inc., as Party A, that an Event of Default under Section 5(a)(vii) of the Master Agreement has occurred as a result of the institution of a proceeding under Chapter 11 of the United States Bankruptcy Code by Party A in the United States Bankruptcy Court.

As a result of the foregoing, the Authority has elected to terminate the Master Agreement.

The Authority hereby designates December 4, 2008, as the Early Termination Date.

The Authority will advise you of the amount owing as provided in Section 6(e) Master Agreement.

Nothing in this letter shall be construed as a waiver of any rights the undersigned may have with respect to the Master Agreement. Without limiting the generality of the foregoing, nothing herein shall be deemed to constitute a waiver of any Event of Default, or other default or termination event, and the undersigned hereby reserves all other rights and remedies it may have at law, in equity, under the Master Agreement or the Transactions, including rights of setoff and recoupment and any rights or remedies that may arise as a result of any intervening event.

- 2 -



Please direct all correspondence and inquiries on this matter to the undersigned at 1981 Blake Street, Denver, CO 80202. My email address is THemmings@chfainfo.com.

Very Truly yours,

COLORADO HOUSING AND FINANCE AUTHORITY

A handwritten signature in black ink, appearing to read "Thomas Hemmings".

Thomas Hemmings
Chief Financial officer, f/k/a Director of Finance

Cc: Sherman & Howard
633 Seventeenth Street, Suite 3000
Denver, CO 80202
Attn: Stan Raine

Received this 4th day of December, 2008.
Lehman Brothers Financial Products, Inc.

By

A handwritten signature in black ink, appearing to read "Vinnie Sonnash" with "Asst. VP" written below it.

- 3 -



Exhibit A

<u>Swap</u>	<u>Global ID</u>	<u>Effective Date</u>	<u>Current Notional Amount</u>	<u>Termination Date</u>
2002C	287705	10/24/2002	40,000,000	05/01/2022
2001AA	193494	10/04/2001	46,840,000	05/01/2031
2002A	239706	04/25/2002	19,090,000	11/01/2021
2002B	249068	07/18/2002	40,000,000	11/01/2021
2001AA	193495	10/04/2001	18,240,000	11/01/2013
2002A	239298	04/25/2002	15,065,000	11/01/2013
2002B	249078	07/18/2002	16,775,000	11/01/2013
2002B	343056	10/24/2002	11,350,000	05/01/2020
2002C	277287	10/24/2002	28,250,000	11/01/2032
2002C	287707	10/24/2002	20,640,000	11/01/2011

Exhibit G

- 1 -



termination LB DP

Hand 2:50 pm

RECEIVED DEC 02 2008

Vinnie Scannasina
Vinnie Scannasina
Ass't VP

031500 CHFA

December 2, 2008

VIA HAND DELIVERY & FACSIMILE

Lehman Brothers Special Financing Inc.
1271 Sixth Avenue 43 Floor
New York, NY 10020
Attn: Allison Carine
Telephone No.: 212-526-7187
Facsimile No.: 646-758-4124

Re: Master Agreement dated as of December 4, 2002 by and between Lehman Brothers Derivative Products Inc. and Colorado Housing and Finance Authority (the "Authority") and the Schedule attached thereto, as amended by the parties thereto on June 16, 2006, and as further amended and assigned to Lehman Brothers Special Financing Inc. through an Assignment and Amendment Agreement dated as of September 16, 2008 among Lehman Brothers Derivative Products Inc., Lehman Brothers Special Financing Inc. and the Authority together with the Confirmations listed on Schedule A hereto (the "Master Agreement").

Designation of the Early Termination Date

Ladies and Gentlemen:

Pursuant to Section 6(a) of the Master Agreement, Colorado Housing and Finance Authority, as Party B to the Master Agreement (the "Authority"), hereby gives notice to Lehman Brothers Special Financing Inc., as Party A that an Event of Default under Section 5(a)(vii) of the Master Agreement has occurred as a result of the institution of a proceeding under Chapter 11 of the United States Bankruptcy Code by Party A in the United States Bankruptcy Court.

As a result of the foregoing, the Authority has elected to terminate the Master Agreement.

The Authority hereby designates December 2, 2008, as the Early Termination Date.

The Authority will advise you of the amount owing as provided in Section 6(c) Master Agreement.

Nothing in this letter shall be construed as a waiver of any rights the undersigned may have with respect to the Master Agreement. Without limiting the generality of the foregoing, nothing herein shall be deemed to constitute a waiver of any Event of Default, or other default or termination event, and the undersigned hereby reserves all other rights and remedies it may have at law, in equity, under the Master Agreement or the Transactions, including rights of setoff and recoupment and any rights or remedies that may arise as a result of any intervening event.

- 2 -



Please direct all correspondence and inquiries on this matter to the undersigned at 1981 Blake Street, Denver, CO 80202. My email address is THemmings@chfainfo.com.

Very Truly yours,

COLORADO HOUSING AND FINANCE AUTHORITY

A handwritten signature in black ink, appearing to read "TH".

Thomas Hemmings
Director of Finance

Cc: Sherman & Howard
633 Seventeenth Street, Suite 3000
Denver, CO 80202
Attn: Stan Raine

Received this 2nd day of December, 2008.
Lehman Brothers Special Financing, Inc.

By _____

- 3 -

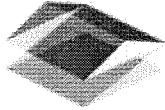


Exhibit A

<u>Swap</u>	<u>Global ID</u>	<u>Effective Date</u>	<u>Current Notional Amount</u>	<u>Swap Termination Date</u>
SFMB 01AA	4029556	09/02/2008	\$15,340,000	05/01/2018
SFMB 03A	322834	02/26/2003	\$20,000,000	11/01/2021
SFMB 03A	322843	02/26/2003	\$6,530,000	11/01/2011
SFMB 03A	4046525	08/01/2003	\$4,020,000	05/01/2011
SFMB 03B	356698	08/01/2003	\$36,670,000	11/01/2026
SFMB 03B	356688	08/01/2003	\$24,840,000	05/01/2012
SFMB 03B	356674	07/09/2003	\$60,000,000	11/01/2026
SFMB 03C	414617	11/13/2003	\$40,000,000	11/01/2026
SFMB 07B	3337358	10/18/2007	\$50,000,000	05/01/2038
SFMB 08B	3860638	09/11/2008	\$30,000,000	11/01/2038

Exhibit H

- 1 -



chfa

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Hand

031500 CHFA 040307 COLO

December 3, 2008

VIA HAND DELIVERY & FACSIMILE

Lehman Brothers Special Financing Inc.
1271 Sixth Avenue 43 Floor
New York, NY 10020
Attn: Alison Carine
Telephone No.: 212-526-7187
Facsimile No.: 646-758-4124

Re: Master Agreement dated as of June 19, 2003 by and between Lehman Brothers Derivative Products Inc. and Colorado Housing and Finance Authority (the "Authority") and the Schedule attached thereto, as amended by the parties thereto on June 16, 2006, and as further amended and assigned to Lehman Brothers Special Financing Inc. through an Assignment and Amendment Agreement dated as of September 16, 2008 among Lehman Brothers Derivative Products Inc., Lehman Brothers Special Financing Inc. and the Authority together with the Confirmations listed on Schedule A hereto (the "Master Agreement").

Designation of the Early Termination Date

Ladies and Gentlemen:

Pursuant to Section 6(a) of the Master Agreement, Colorado Housing and Finance Authority, as Party B to the Master Agreement (the "Authority"), hereby gives notice to Lehman Brothers Special Financing Inc., as Party A that an Event of Default under Section 5(a)(vii) of the Master Agreement has occurred as a result of the institution of a proceeding under Chapter 11 of the United States Bankruptcy Code by Party A in the United States Bankruptcy Court.

As a result of the foregoing, the Authority has elected to terminate the Master Agreement.

The Authority hereby designates December 3, 2008, as the Early Termination Date.

The Authority will advise you of the amount owing as provided in Section 6(e) Master Agreement.

Nothing in this letter shall be construed as a waiver of any rights the undersigned may have with respect to the Master Agreement. Without limiting the generality of the foregoing, nothing herein shall be deemed to constitute a waiver of any Event of Default, or other default or termination event, and the undersigned hereby reserves all other rights and remedies it may have at law, in equity, under the Master Agreement or the Transactions, including rights of setoff and recoupment and any rights or remedies that may arise as a result of any intervening event.

- 2 -



chfa

Please direct all correspondence and inquiries on this matter to the undersigned at 1981 Blake Street, Denver, CO 80202. My email address is THemmings@chfainfo.com.

Very Truly yours,

COLORADO HOUSING AND FINANCE AUTHORITY

A handwritten signature in black ink, appearing to read "TH" followed by a stylized surname.

Thomas Hemmings
Chief Financial Officer, f/k/a Director of Finance

Cc: Sherman & Howard
633 Seventeenth Street, Suite 3000
Denver, CO 80202
Attn: Stan Raine

Received this 3rd day of December, 2008.
Lehman Brothers Special Financing, Inc.

By A handwritten signature in black ink, appearing to read "Beth Thurnher".

Beth Thurnher

12/3/08

2:31PM

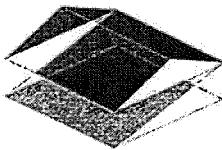
- 3 -



Exhibit A

<u>Swap</u>	<u>Global ID</u>	<u>Effective Date</u>	<u>Current Notional Amount</u>	<u>Swap Termination Date</u>
2006A	2596099	12/01/2006	9,575,000	10/01/2041
2006A	2596212	12/01/2006	3,100,000	04/01/2026
2006A	2676618	11/01/2006	12,470,000	04/01/2039
2006A	2676631	11/01/2006	4,950,000	04/01/2028
2007B	2430259	12/01/2007	4,900,000	04/01/2028
2007B	2782706	08/29/2007	2,885,000	10/01/2036
2007B	2845818	08/29/2007	2,140,000	04/01/2038
2007B	2985244	08/29/2007	4,910,000	04/01/2038
2008A	3552965	04/23/2008	8,030,000	04/01/2043
2006A	2676648	11/01/2006	2,490,000	10/01/2036
2006A	2676710	11/01/2006	875,000	04/01/2027
2007B	2782660	08/29/2007	2,635,000	10/01/2037
2007B	3017616	08/29/2007	4,920,000	10/01/2019
2007B	3270908	12/01/2007	2,315,000	04/01/2038
2008C	3552985	10/08/2008	8,045,000	10/01/2038
2003A	395781	10/01/2003	21,800,000	04/01/2026
2006A	2430334	12/01/2006	5,120,000	04/01/2027
2006A	2430356	02/01/2007	1,955,000	04/01/2023
2006A	2497612	12/01/2006	7,255,000	04/01/2027
2006A	2596406	01/01/2007	7,975,000	04/01/2027
2006A	2625767	01/01/2007	4,715,000	04/01/2027
2006A	2985224	10/01/2007	9,725,000	10/01/2017
2007B	2497686	12/01/2007	3,970,000	10/01/2027
2007B	2595997	10/01/2007	2,560,000	04/01/2028
2007B	2596235	10/01/2007	1,230,000	04/01/2038
2007B	2782696	08/29/2007	8,060,000	04/01/2037
2007B	2845718	08/29/2007	10,925,000	04/01/2028
2007B	2845806	08/29/2007	7,910,000	04/01/2028
2007B	3271182	11/01/2007	4,190,000	04/01/2038
2008A	3552929	11/01/2008	11,675,000	04/01/2029
2008A	3620879	05/01/2008	4,910,000	04/01/2028
2008B	2755754/2755762	11/29/2006	118,600,000	10/01/2044
2008B	2928242/2928283	05/01/2007	46,915,000	03/01/2047
2008C	2928278	11/01/2008	10,000,000	05/01/2013
2008C	3087157	11/01/2008	3,000,000	10/01/2028
2008C	3707735	11/01/2008	10,000,000	10/01/2028

Exhibit I



financing the places where
people live and work

chfa

1981 Blake Street
Denver, Colorado 80202

March 5, 2009

VIA HAND DELIVERY AND OVERNIGHT FED EX

Lehman Brothers Financial Products Inc.
1271 Sixth Avenue, 43rd Floor
New York, NY 10020
Attn: Allison Carine

**Re: Statement Of Amount Payable With Respect To Designated Early
Termination Date Of Transactions Under ISDA Master Agreements;
Reference Number For Each Respective Terminated Transaction Set Forth
on Exhibit A Hereto**

Ladies and Gentlemen:

Reference is made to the ISDA Master Agreements, including the Schedules thereto, dated as of March 2, 2000 (the "2000 Agreement") and September 13, 2001 (the "2001 Agreement," together with the 2000 Agreement, the "Master Agreements"), entered into between Lehman Brothers Financial Products Inc. ("LBFP") and the Colorado Housing and Finance Authority ("CHFA"), the related transactions (the "Terminated Transactions") identified in Exhibit A hereto, and the Notice of Event of Default and Designation of Early Termination Date Under ISDA Master Agreement (the "2000 Default Notice") delivered to LBFP on November 21, 2008, designating November 21, 2008 as the Early Termination Date with respect to the Terminated Transactions under the 2000 Agreement and the Notice of Event of Default and Designation of Early Termination Date Under ISDA Master Agreement (the "2001 Default Notice," together with the 2000 Default Notice, the "Default Notices") delivered to LBFP on December 4, 2008, designating December 4, 2008 as the Early Termination Date with respect to the Terminated Transactions under the 2001 Agreement. Terms used but not defined herein are used as defined in the Master Agreements.

STATEMENT OF SETTLEMENT AMOUNT CALCULATION—2000 AGREEMENT

Pursuant to Section 6(d) of the 2000 Agreement, CHFA hereby notifies LBFP that the amount payable by LBFP to CHFA on March 5, 2009 under Section 6(e) of the 2000 Agreement in connection with the Early Termination Date is \$4,883,319.31 calculated as follows:

RECEIVED MAR 05 2009

Hand

Vinod Sonnash
VINOSONNASH
ASS. VP

1:50 pm

031500CHFA

colorado housing and finance authority

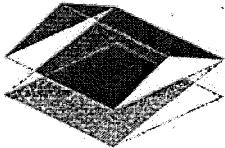
303.297.chfa (2432)

800.877.chfa (2432)

toll free

303.297.7305

tdd



financing the places where
people live and work

1981 Blake Street

Denver, Colorado 80202

colorado housing and finance authority

303.297.chfa (2432)

toll free

800.877.chfa (2432)

303.297.7305

tdt

www.chfainfo.com

March 5, 2009
Page 2 of 6

Settlement Amount owed to CHFA for Terminated Transactions utilizing Loss payment measure	\$4,858,633.82
Less Unpaid Amount due LBFP 10/1/08 on transaction Ref No. 102175/205969P *	(\$190,896.19)*
Less interest on Unpaid Amount due LBFP at Non-Default rate specified in 2000 Agreement of 6 month LIBOR as of 10/1/08 plus 1% from 10/1/08 to Early Termination Date	(\$1,367.10)
Subtotal owed to CHFA	<u>\$4,666,370.53</u>
Plus interest due from Early Termination Date to 3/5/09 at Default Rate specified in 2000 Agreement of 6 month LIBOR as of 3/5/09 plus 2%	\$51,948.78
Plus termination related expense of CHFA	<u>\$165,000.00</u>
Total Due to CHFA 3/5/09	<u>\$4,883,319.31</u>

*This amount was not paid on October 1, 2008 because LBFP, the calculation agent under the 2000 Agreement, failed to bill CHFA for the amount then due and failed to provide a calculation to CHFA of the amount then due.

STATEMENT OF SETTLEMENT AMOUNT CALCULATION—2001 AGREEMENT

Pursuant to Section 6(d) of the 2001 Agreement, CHFA hereby notifies LBFP that the amount payable by LBFP to CHFA on March 5, 2009 under Section 6(e) of the 2001 Agreement in connection with the Early Termination Date is \$3,884,206.45 calculated as follows:

Settlement Amount owed to CHFA for Terminated Transactions utilizing Loss payment measure	\$3,658,592.74
Plus interest due from Early Termination Date to 3/5/09 at Default Rate specified in 2001 Agreement of 6 month LIBOR as of 3/5/09 plus 2%	\$35,613.71
Plus termination related expense of CHFA	<u>\$190,000.00</u>
Total Due to CHFA 3/05/09	<u>\$3,884,206.45</u>



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1981 Blake Street

Denver, Colorado 80202

colorado housing and finance authority

303.297.chfa (2432)

800.877.chfa (2432)

toll free

303.297.7305

tdd

March 5, 2009
Page 3 of 6

SETTLEMENT AMOUNT DETERMINATIONS

I. GOOD FAITH EFFORTS TOWARD SUCCESSFUL MARKET QUOTATION PROCESS AND SETTLEMENT AMOUNT BASIS—2000 AGREEMENT: As per the requirements of the 2000 Agreement, on the November 21, 2008 Early Termination Date of the Transactions executed under the 2000 Agreement CHFA sought to calculate the Settlement Amount (the “Termination Payment”) using the Market Quotation method. Because of the nature of the swaps, with the floating rate set at the VRDOS rate, or actual rate on the associated CHFA Variable Rate Demand Obligations, CHFA was unable to find three Reference Market-makers who would provide quotations. Twelve firms were solicited to provide quotations (Barclays Bank PLC, Wells Fargo Bank N.A., Citibank N.A., Merrill Lynch & Co., Royal Bank of Canada, Goldman Sachs Group, Bank of New York Mellon, Bank of America N.A., Morgan Stanley, JPMorgan Chase Bank N.A., Deutsche Bank AG, and UBS AG).

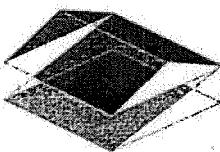
Only two firms, Barclays and Wells Fargo, agreed to provide quotations, though neither of these quotations were actionable (i.e., neither firm was willing to enter into replacement transactions with CHFA based on their quotation). With no firms providing actionable quotations and only two firms providing non-actionable quotations, the calculation of the Termination Payment had to be determined using the Loss method.

In the 2000 Agreement (which uses ISDA’s 1992 Local Currency, Single Jurisdiction form), Loss is defined, in part, to mean “an amount that [the Non-Defaulting] party reasonably determines in good faith to be its total losses and costs . . . including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge” Further, the definition says the terminating party “may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.”

While the two quotations received varied widely from one another, they provide a usable reference point for calculating Loss as referred to in the definition. Wells Fargo provided an aggregate quotation for all seven transactions at a value of positive \$15,762,000, meaning that CHFA would have to pay LBFP that amount as the Termination Payment. Barclays aggregate quotation was negative \$26,500,000, meaning that the payment would be owed in the opposite direction, with LBFP having to pay CHFA that amount as the Termination Payment. We believe both firms are knowledgeable about swaps of this nature and satisfy the ISDA definition of “leading dealers in the relevant market”. The trading personnel at both firms had extensive historical experience in comparable swaps, including those that required the swap dealer to make floating payments based on actual bond rates.

By averaging the two quotations, CHFA’s Loss was calculated as \$5,369,000 less the present value of the amount accrued on the transactions from October 1, 2008 to the Early Termination Date of \$510,366.18 (since swap payments accruals were not included in the market quotations), or a net sum of \$4,858,633.82, which is the Settlement Amount owed to CHFA by LBFP. Please note that this amount has been further adjusted by the unpaid amount described above and interest thereon, CHFA’s costs, and interest on the net due CHFA (excluding costs) at the default rate specified in the 2000 Agreement from the Early Termination Date to March 5, 2009. Please note this sum (\$4,883,319.31) will continue to bear interest at the Default Rate specified in the Agreement from March 5, 2009 until paid.

March 5, 2009
Page 4 of 6



chfa

*financing the places where
people live and work*

1981 Blake Street
Denver, Colorado 80202

colorado housing and finance authority

303.297.chfa (2432)

800.877.chfa (2432)
toll free

303.297.7305
tdd

II. GOOD FAITH EFFORTS TOWARD SUCCESSFUL MARKET QUOTATION PROCESS AND SETTLEMENT AMOUNT BASIS—2001 AGREEMENT: As per the 2001 Agreement, on the December 4 Early Termination Date of the Transactions executed under the 2001 Agreement, CHFA sought to calculate the Settlement Amount on the above swaps. CHFA solicited reference market makers that would provide quotations on the transactions and would enter into replacement swaps under the same terms as the existing swaps with LBFP. Again, because of the nature of the swaps, with the floating rate set at the VRDOS rate, or actual rate on the associated CHFA Variable Rate Demand Obligations, CHFA was unable to find three Reference Market-makers who would provide quotations. On behalf of CHFA, eight firms were solicited (Barclays Bank PLC, Wells Fargo Bank N.A., Citibank N.A., Royal Bank of Canada, Goldman Sachs Group, Bank of New York Mellon, Deutsche Bank AG, and UBS AG).

No firm was willing to provide a quotation to enter into replacement swaps under the terms in the existing agreement with LBFP. Since the Market Quotation process was not able to be conducted in the absence of reference market makers, CHFA again used the Loss method to quantify the termination amounts.

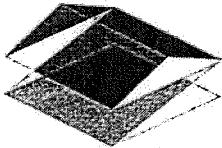
In determining the termination amounts, CHFA sought to establish values by replicating the different methodologies used by each of the two reference market makers that submitted quotations for the multi-family swaps described above and averaging the results. One approach approximated the floating rate on the swaps, in part, by analyzing the spread between SIFMA or LIBOR and the remarketing history of the bonds. The other method approximated the floating rate on the swaps by first looking at the spreads between market swap rates and rates on tax-exempt or taxable fixed rate bond structures. The resulting spread was then added to SIFMA or LIBOR, in order to approximate the floating leg of the swaps. (In determining the fixed “bond” rates, inputs from the reference market maker that used this method for the multi-family swaps were reviewed and a spread relationship to observable bond scales was derived in order to come up with comparable bond rates for the single family structures.)

As was the case with the quotations received for the multi-family swaps, the two methods produce widely different results. The first method indicated that CHFA would have to pay LBFP a total amount of \$24,895,655. The second method, however, indicated that loss amount would be a negative \$33,088,110, meaning that CHFA would be owed this amount.

By averaging the results from each method, CHFA’s Loss was calculated as \$4,096,227.50, less the present value of the amount accrued on the transactions from October 1, 2008 to the Early Termination Date of \$437,634.76 (since swap payments accruals were not included in the calculations based on the market quotations), or a net sum of \$3,658,592.74, which is the Settlement amount owed to CHFA by LBFP as of the 12/4/08 Early Termination Date. Please note that this amount has been further adjusted by CHFA’s costs and interest on the net due CHFA (excluding costs) at the default rate specified in the 2001 Agreement from the Early Termination Date to March 5, 2009. Please note this sum (\$3,884,206.45) will continue to bear interest at the Default Rate specified in the Agreement from March 5, 2009 until paid.

RESERVATION OF RIGHTS

Nothing in this letter shall be construed as a waiver of any rights CHFA may have with respect to the Master Agreements. Without limiting the generality of the foregoing, CHFA hereby reserves all rights and remedies it may have at law or in equity under the Master



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March 5, 2009
Page 5 of 6

Agreements or the Transactions, including rights of setoff and recoupment, the right to file a proof of claim with the appropriate court at the appropriate time in connection with the above amounts and any additional out-of-pocket expenses incurred by CHFA and any rights or remedies that may arise as a result of any intervening event.

This notice shall be governed by and construed in accordance with the applicable law governing the Master Agreements.

Very truly yours,

COLORADO HOUSING AND
FINANCE AUTHORITY


By: _____
Title: Chief Financial Officer

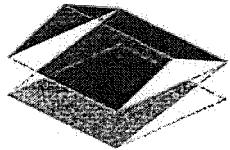
Attachments
Exhibit A – Terminated Transactions

colorado housing and finance authority

303.297.chfa (2432)

800.877.chfa (2432)
toll free

303.297.7305
tdd



March 5, 2009
 Page 6 of 6

Exhibit A – Terminated Transactions

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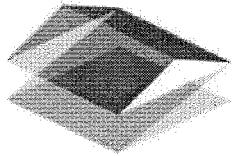
2000 Agreement:

	Reference #	Effective Date	Termination Date	Original Notional Amount	Outstanding Notional Amount	Fixed Rate (CHFA pays)	Variable Rate (CHFA receives)
	102175/205969P	3/21/2000	10/1/2020	\$ 12,750,000.00	\$ 12,750,000.00	5.23500%	VRDO rate
	102178/205971P	3/21/2000	4/1/2015	\$ 11,545,000.00	\$ 11,050,000.00	5.80000%	VRDO rate
	236504/347419P	1/29/2003	10/1/2022	\$ 9,410,000.00	\$ 9,410,000.00	5.10000%	VRDO rate
	102182/205973P	7/3/2002	10/1/2023	\$ 35,000,000.00	\$ 29,380,000.00	6.06800%	VRDO rate
1981 Blake Street, Denver, Colorado 80202	287267/412455P	4/1/2003	10/1/2032	\$ 10,920,000.00	\$ 10,165,000.00	6.12900%	VRDO rate
	287271/412473P	10/1/2003	10/1/2032	\$ 70,715,000.00	\$ 70,715,000.00	5.12400%	VRDO rate
	287273/412481P	10/1/2003	10/1/2032	\$ 31,960,000.00	\$ 31,960,000.00	5.04400%	VRDO rate

2001 Agreement:

	Reference #	Effective Date	Termination Date	Original Notional Amount	Outstanding Notional Amount	Fixed Rate (CHFA pays)	Variable Rate (CHFA receives)
	193495/297795P	10/4/2001	11/1/2013	\$ 50,000,000	\$ 18,240,000	5.29000%	VRDO rate
303.297.chfa (2432)	193494/297487P	10/4/2001	5/1/2031	\$ 46,840,000	\$ 46,840,000	4.60000%	VRDO rate
	239298/350949P	4/25/2002	11/1/2013	\$ 41,000,000	\$ 15,065,000	5.49900%	VRDO rate
800.877.chfa (2432)	239706/351341P	4/25/2002	11/1/2021	\$ 19,090,000	\$ 19,090,000	4.74900%	VRDO rate
toll free	343056/490317P	10/24/2002	5/1/2020	\$ 15,000,000	\$ 11,350,000	5.52900%	VRDO rate
303.297.7305	249078/372045P	7/18/2002	11/1/2013	\$ 50,000,000	\$ 16,775,000	5.28500%	VRDO rate
tdd	249068/363185P	7/18/2002	11/1/2021	\$ 40,000,000	\$ 40,000,000	4.50600%	VRDO rate
	277287/400577P	10/24/2002	11/1/2032	\$ 30,000,000	\$ 28,250,000	5.35000%	VRDO rate
	287707/413077P	10/24/2002	11/1/2011	\$ 60,000,000	\$ 20,640,000	4.36200%	VRDO rate
	287705/413087P	10/24/2002	5/1/2022	\$ 40,000,000	\$ 40,000,000	4.42200%	VRDO rate

Exhibit J



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December 18, 2008

Valuation Notice
RECEIVED DEC 22 2008

RECEIVED DEC 22 2008

Hand

031500CHFA-LB04
08\$500CHFA/LBSF

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VIA HAND DELIVERY & OVERNIGHT FED EX

Lehman Brothers Special Financing Inc.
1271 Sixth Avenue, 43rd Floor
New York, NY 10020
Attn: Allison Carine

**Re: Statement Of Amount Payable With Respect To Designated Early
Termination Date Of Transactions Under ISDA Master Agreement; Summit
ID/Reference Number For Each Respective Terminated Transaction Set
Forth on Exhibit A Hereto**

1981 Blake Street
Denver, Colorado 80202

Ladies and Gentlemen:

Reference is made to the ISDA Master Agreement, including the Schedule thereto, dated as of December 4, 2002, entered into between Lehman Brothers Derivative Products Inc. ("LBDP") and Colorado Housing and Finance Authority ("CHFA"), and the Assignment and Amendment Agreement related thereto dated September 16, 2008 by and between LBDP, Lehman Brothers Special Financing Inc. ("LBSF") and CHFA, (together, the "Master Agreement"), the related transactions (the "Terminated Transactions") identified in Exhibit A hereto, and the Notice of Event of Default and Designation of Early Termination Date Under ISDA Master Agreement (the "Default Notice") delivered to LBSF on December 2, 2008 and designating December 2, 2008 as the Early Termination Date with respect to the Terminated Transactions. Terms used but not defined herein are used as defined in the Master Agreement.

STATEMENT OF SETTLEMENT AMOUNT CALCULATION

Pursuant to Section 6(d) of the Master Agreement, CHFA hereby notifies LBSF that the amount payable by CHFA to LBSF under Section 6(e) of the Master Agreement in connection with the Early Termination Date is \$18,686,364.88 calculated as follows:

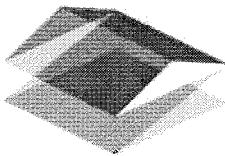
303.297.chfa (2432)	Settlement Amount for Terminated Transactions utilizing Loss payment measure	\$18,852,355.70
800.877.chfa (2432) toll free	Plus interest due from termination date to settlement date (1)	24,009.18
303.297.7305 tdd	Less termination related expenses of CHFA	(\$190,000.00)
	Total	\$18,686,364.88

SETTLEMENT AMOUNT DETERMINATION

I. GOOD FAITH EFFORTS TOWARD SUCCESSFUL MARKET QUOTATION PROCESS:
Following the occurrence of an Event of Default with respect to LBSF as a result of its bankruptcy filing, CHFA retained the services of (i) its bond counsel, Sherman & Howard, LLC ("Sherman"), a law firm with extensive experience in matters related to tax-exempt financing and related interest rate derivatives, and (ii) Bond Logistix LLC ("BLX"), an industry-leading financial and derivative products advisor to governmental and not-for-profit entities to advise and otherwise assist CHFA in all matters related to CHFA's rights and interests under the Master Agreement.

Colorado housing and finance authority

December 18, 2008
Page 2 of 7



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After determining to designate an Early Termination Date with respect to the Terminated Transactions, CHFA directed BLX to use all available efforts to implement the Market Quotation payment measure to (a) establish a Settlement Amount for all Terminated Transactions under the Master Agreement and (b) provide a funding source for any payment due to LBSF. BLX identified thirty two (32) financial institutions as prospective Reference Market-makers (each, a "Prospect"), eliminated five (5) immediately as not meeting minimum CHFA/Rating Agency criteria, and solicited from the remaining twenty-seven (27) Prospects indications of interest in providing offers to enter into Replacement Transactions. The results of those solicitations can be summarized as follows:

1. twenty-two (22) Prospects indicated no interest in participating. Of those that provided reasons for declining to participate, the most common reasons cited were (a) little or no chance of obtaining necessary credit, funding, and legal documentation approval and (b) insufficient expectation of reasonable return on investment of significant time and resources necessary to submit an offer even if necessary approvals could be obtained.
2. four (4) Prospects indicated some willingness to consider providing an Offer, but all subject to CHFA modifying LBSF provisions, particularly those related to the absence of a Credit Support Annex and the Ratings-based ATE referencing the Class I Bonds rating rather than CHFA's Issuer Credit Rating. Goldman Sachs & Co. withdrew shortly thereafter, citing little or no prospect of submitting a successful Offer given its higher funding costs relative to other Prospects. Over the course of the following several days, the three remaining Prospects, the Royal Bank of Canada ("RBC"), Deutsche Bank AG, and BNY Mellon Bank, each withdrew. RBC was unwilling to enter into transactions with (i) no CSA or (ii) options or so-called "Trigger" provisions. Additionally, RBC had not recently been successful in similar competitive situations and, therefore, saw a poor return on any investment made in attempting to participate. BNY Mellon Bank withdrew because of an upper management moratorium on participating in processes such as CHFA's. Finally, Deutsche Bank was unable to obtain credit approval due to the absence of a CSA and because the Ratings-based ATE references the Class I Bonds ratings rather than CHFA's Issuer Credit Rating ("ICR").

Throughout these several days, BLX actively and persistently contacted Prospects to maximize the time and focus they allocated to considering submitting an offer and to ensure that any failure to gain credit approval was not due to a lack of understanding of the relevant legal or financial circumstances. As detailed above, however, ultimately, none of the Prospects obtained the necessary credit, funding, and legal documentation approvals required to submit offers without one or more material changes to the credit terms of the Terminated Transactions. Such required changes would have included at least one of:

- a. modifying the existing ratings-based Additional Termination Event provision reference from the current Class I Bonds rating to CHFA's ICR, a modification that would have very substantially increased the potential for the Additional Termination Event against CHFA to have been triggered; and
- b. CHFA collateralizing its obligations under the Master Agreement by entering into a Credit Support Annex and/or CHFA agreeing to other exposure-limiting provisions.



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Page 3 of 7

3. one Prospect, Barclays Bank PLC ("Barclays"), declined to provide a Replacement Transaction offer in response to CHFA's request, but indicated a willingness to enter into new transactions on a negotiated basis pursuant to documentation with certain material modifications relative to the Master Agreement.

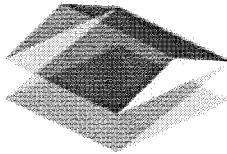
CHFA's strong preference was to determine the Settlement Amount using the Market Quotation payment measure, and the quotation solicitation process it employed in support of that objective was exhaustive, conducted in good faith, and otherwise within the form, substance and intent of the procedures prescribed in the Master Agreement. However, after (1) having been informed by Barclays that that firm would not respond to a request for offers and (2) fulfilling its specific Market Quotation process requirements by formally soliciting offers from Deutsche Bank, BNY Mellon, Goldman Sachs, and RBC as Reference Market-makers, CHFA was not provided with a single offer. As a result of not receiving at least three offers in response to its solicitation, CHFA was unable to determine the Settlement Amount in respect of the Terminated Transactions using the Market Quotation payment measure.

In accordance with the terms of the Master Agreement, CHFA therefore determined the Settlement Amount in respect of the Terminated Transactions pursuant to the Loss payment measure. CHFA's use of the Loss payment measure was employed only as a result of its inability to obtain quotations for Replacement Transactions in connection with the Market Quotation payment measure and was conducted in good faith and otherwise in a manner consistent with the best interests of both CHFA and LBSF.

II. SETTLEMENT AMOUNT BASIS: Having failed to receive a single offer to enter into replacement transactions on substantially the same terms as those embodied in the Terminated Transactions, consistent with its rights and obligations under the Master Agreement, CHFA has determined, in good faith, that its total loss in connection with the Terminated Transactions is equal to the amount CHFA was paid to re-establish its hedging positions with new transactions (the "Replacement Transactions" – see Exhibit A) entered into on a negotiated basis with Barclays that contained substantially less favorable credit/documentation terms than did the Terminated Transactions, less a value adjustment for any differences between each such new Replacement Transaction and the corresponding Terminated Transaction. More specifically, CHFA has determined that its total Loss in connection with the Terminated Transactions is equal to:

1. with respect to the group of Terminated Transactions for which CHFA re-established its respective hedging positions by entering into Replacement Transactions the cash flows related to which are substantially similar to those of the related Terminated Transactions (the "Similar Cash Flow Transactions" – see Exhibit A), the amount actually paid to CHFA by Barclays in respect of the Similar Cash Flow Transactions, adjusted for the value of the changes in credit and documentation terms under the new ISDAs relative to the Master Agreement;
2. with respect to the group of Terminated Transactions for which CHFA re-established its respective hedging positions by entering into Replacement Transactions (the "Modified Transactions" – see Exhibit A) with Barclays under terms and conditions substantially similar to those of the related Terminated Transactions other than modification (the "Modification") of a portion of the Floating Rate Option from (a) USD-SIFMA Municipal Swap Index (the "SIFMA Index") to (b) (i) USD-LIBOR-BBA, one-month designated maturity (the "LIBOR Index"), multiplied by 0.68 (68%) when the weighted average of the LIBOR Index during the Calculation Period is equal to or greater than 3.5% and (ii) the SIFMA

December 18, 2008
Page 4 of 7



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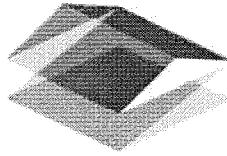
Index when the LIBOR Index is less than 3.5%, the amount that would have been paid to CHFA by Barclays in respect of the Terminated Transactions replaced by the Modified Transactions adjusted for the value of the Modification and the changes in credit and documentation terms under the new ISDA relative to the Master Agreement;

3. with respect to the Terminated Transactions for which CHFA re-established its hedging position by entering into a Replacement Transaction the cash flows related to which is substantially similar to that of the related Terminated Transaction other than a change in the Effective Date (the "Altered Effective Date Transaction" – see Exhibit A), the amount actually paid to CHFA by Barclays in respect of the Altered Effective Date Transaction, adjusted for (a) the value of the changes in credit and documentation terms under the new ISDA relative to the Master Agreement and (b) the altered Effective Date; and
4. with respect to the group of Terminated Transactions for which CHFA did not enter into a Replacement Transaction (the "Un-Replaced Terminated Transactions" – see Exhibit A), the amount determined by applying the same criteria for (1) swap spread and (2) implicit discount (i.e., "lending") rate to the off-market cash flow as is reflected in the Similar Cash Flow Transactions.

III. PRICING IMPLICIT IN THE AMOUNTS PAID TO CHFA IN CONNECTION WITH THE SIMILAR CASH FLOW TRANSACTIONS: As described above, CHFA's methodology for determining Loss with respect to each of the Terminated Transactions was based primarily on passing through to LBSF the payment that CHFA actually realized in connection with the corresponding Replacement Transaction, adjusted for the value of any changes in credit and documentation terms under the new ISDA. CHFA and its consultants independently concluded that the transaction pricing implicit in the Replacement Transactions was extremely aggressive, particularly taking into account (a) that no other financial institution was willing to provide offers for the Terminated Transactions without material modification to the credit terms offered by CHFA and (b) that no firm other than Barclays was willing to enter into transactions without additional changes to the ISDA documentation applicable to the Replacement Transactions. For example, the Replacement Transactions ISDA continues to include ratings-based ATE triggers that refer to the Class I Bonds rather than CHFA's ICR despite the fact that swap payments other than scheduled payments and collateral posting obligations are payable as general obligations of CHFA, not from the bond trust estate.

Specifically, the amount paid to CHFA by Barclays (the "Payment") in connection with the Replacement Transactions (where applicable, adjusted for the Modification and altered effective date) was a function of (1) the then-current mid-market rate for each Terminated Transaction, (2) spreads to the mid-market rates, and (3) the discount rate (i.e., implicit lending rate) applied to the off-market cash flow to determine a present value, upfront cash payment. The mid-market rate was objectively determined by BLX at the time the Replacement Transactions were entered into. Assuming a spread no higher than that paid to Lehman Brothers entities with respect to its most recent CHFA transactions, CHFA concluded that the discount rate implicit in the Payment is (a) no higher than, and arguably lower than, Barclays own long-term borrowing cost and (b) lower than the rate at which CHFA could procure a taxable loan the ultimate security for which would be identical to that of the Terminated Transactions.

Accordingly, CHFA is confident that, had Barclays and other firms ultimately been willing to respond to CHFA's request for Replacement Transaction offers, an offer by Barclays with pricing similar to that implicit in the Payment would have been the highest offer provided



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and therefore would have been equal to or exceeded the amount required to be paid under Market Quotation.

WIRING INFORMATION

On the date hereof, CHFA will wire \$18,686,364.88 to LBSF pursuant to the following wire instructions:

Citibank USD Bank Accounts
ABA #021-000-089
SWIFT Code: CITIUS33
Account No. 3078-4731
Account Name: Lehman Brothers Special Financing Inc. - DIP
Ref: Colorado Housing and Finance Authority SF/LBSF

Nothing in this letter shall be construed as a waiver of any rights CHFA may have with respect to the Master Agreement. Without limiting the generality of the foregoing, CHFA hereby reserves, all other rights and remedies it may have at law or in equity under the Master Agreement or the Transactions, including rights of setoff and recoupment, the right to file a proof of claim with the appropriate court at the appropriate time in connection with additional out-of-pocket expenses incurred by CHFA and any rights or remedies that may arise as a result of any intervening event.

This notice shall be governed by and construed in accordance with the applicable law governing the Master Agreement.

Very truly yours,

**COLORADO HOUSING AND
FINANCE AUTHORITY**

By: 
Title: Chief Financial Officer

303.297.chfa (2432)

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Attachments

Exhibit A – Terminated Transactions

Exhibit B – Early Termination Amount Interest Calculation Detail

303.297.7305

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December 18, 2008
Page 6 of 7

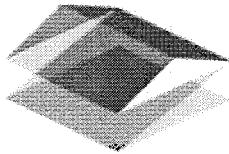


Exhibit A – Terminated Transactions

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No	Global ID	Related Bond Series	Outstanding Notional	Fixed Leg	Scheduled Termination Date
Terminated Transactions Related To The Similar Cash Flow Transactions					
1	3337358	2007B	50,000,000	4.405%	5/1/2038
2	356698	2003B	36,670,000	4.851%	11/1/2026
Terminated Transaction Related To The Modified Transactions					
3	4029556	2001AA	15,340,000	5.526%	5/1/2018
4	322834	2003A	20,000,000	4.160%	11/1/2021
5	356674	2003B	60,000,000	4.384%	11/1/2026
6	414617	2003C	40,000,000	4.595%	11/1/2026
Terminated Transaction Related To The Altered Effective Date Transaction					
7	3860638	2008B	30,000,000	4.335%	11/1/2038
The Un-Replaced Terminated Transactions					
8	322843	2003A	6,530,000	4.008%	11/1/2011
9	4046525	2003A	4,020,000	3.390%	5/1/2011
10	356688	2003B	24,840,000	3.665%	5/1/2012

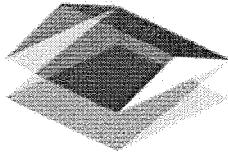
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EXHIBIT B

**Colorado Housing & Finance Authority
Single Family Mortgage Revenue Bonds
Interest Rate Swaps - Lehman Brothers Special Financing, Inc.**

Termination Amount if Paid on December 18, 2008

(A) Termination Amount:	18,852,355.70
(B) Interest at Non-Default Rate	24,009.18
(C) Total of (A) + (B)	18,876,364.88
(D) Less: Expenses	(190,000.00)
(E) Amount to be Remitted to LBSF	18,686,364.88

1981 Blake Street
Denver, Colorado 80202

INTEREST AT APPLICABLE RATE

Start Date	End Date	6M Libor Rate	6M Libor Rate + 100 bp	Balance	Interest
12/02/08	12/03/08	1.86375%	2.86375%	18,852,355.70	1,499.68
12/03/08	12/04/08	1.86375%	2.86375%	18,853,855.38	1,499.80
12/04/08	12/05/08	1.86375%	2.86375%	18,855,355.18	1,499.92
12/05/08	12/06/08	1.86375%	2.86375%	18,856,855.10	1,500.04
12/06/08	12/07/08	1.86375%	2.86375%	18,858,355.14	1,500.16
12/07/08	12/08/08	1.86375%	2.86375%	18,859,855.30	1,500.28
12/08/08	12/09/08	1.86375%	2.86375%	18,861,355.58	1,500.39
12/09/08	12/10/08	1.86375%	2.86375%	18,862,855.97	1,500.51
12/10/08	12/11/08	1.86375%	2.86375%	18,864,356.48	1,500.63
12/11/08	12/12/08	1.86375%	2.86375%	18,865,857.11	1,500.75
12/12/08	12/13/08	1.86375%	2.86375%	18,867,357.86	1,500.87
12/13/08	12/14/08	1.86375%	2.86375%	18,868,858.73	1,500.99
12/14/08	12/15/08	1.86375%	2.86375%	18,870,359.72	1,501.11
12/15/08	12/16/08	1.86375%	2.86375%	18,871,860.83	1,501.23
12/16/08	12/17/08	1.86375%	2.86375%	18,873,362.06	1,501.35
303.297.chfa (2432)	12/17/08	1.86375%	2.86375%	18,874,863.41	1,501.47
	12/18/08			18,876,364.88	-
					Total: 24,009.18

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